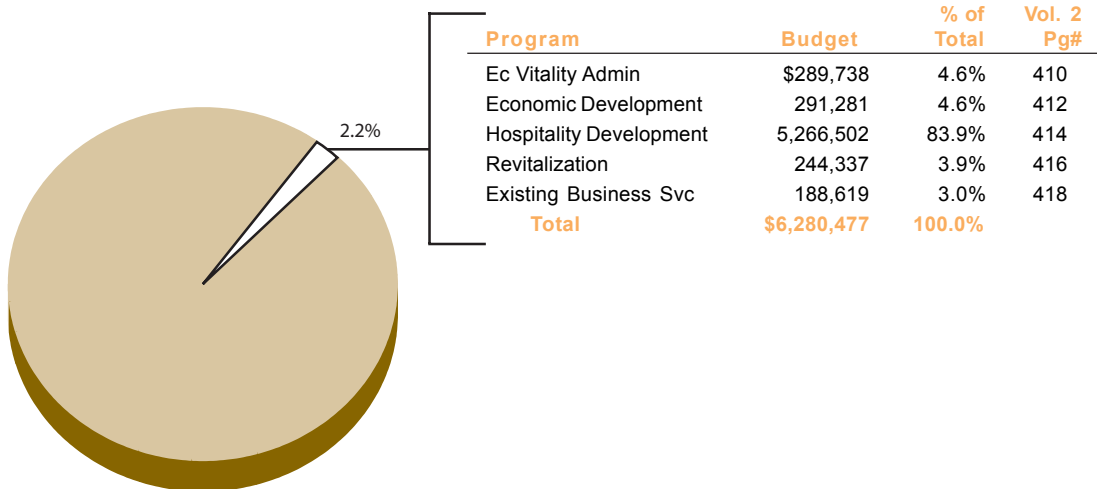


The pie chart presented on this page provides two overviews of the Economic Vitality Department's adopted FY 2004/05 program budget operating expenditures (i.e., excludes grants & trusts, debt service and transfers out):

1. The Economic Vitality Department's adopted FY 2004/05 program operating budget as a percentage of the citywide total adopted program operating budget, and
2. All of the Economic Vitality Department's operating programs and their applicable expenditures and percent of the department's total program operating budget.

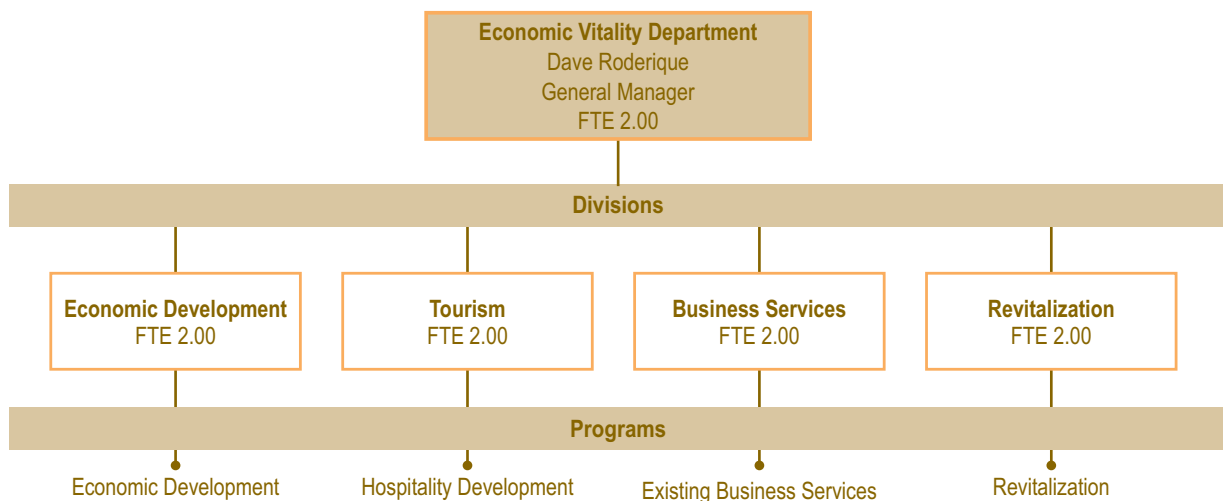
The Economic Vitality Department Represents 2.2% of the City's Total Program Operating Budget



Economic Vitality Department

Mission

To position Scottsdale for sustainable, long-term economic vitality in order to enhance the quality of life for all residents.



Departmental Staffing

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Full-time Equivalent (FTE)	10.00	8.00	8.00	10.00
% of City's FTE's				0.5%

Departmental Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$637,133	\$723,318	\$723,318	\$835,452
Contractual Services	5,604,707	5,777,161	5,829,405	5,428,023
Commodities	21,147	13,515	13,515	17,002
Total Program Budget	\$6,262,988	\$6,513,994	\$6,566,238	\$6,280,477
% of City's Total Program Operating Budget				2.2%

ECONOMIC VITALITY ADMINISTRATION

Economic Vitality Department

Program Description

The Economic Vitality Administration program provides administrative services for the Economic Vitality Department.

Trends

Given the current conditions and budget situation, the Economic Vitality Department is trying to maintain full services with fewer resources (personnel and budget).

Program Broad Goals

Effective administration of the Economic Vitality Department.

Program 2004/05 Objectives

Continue to be efficient in use of monetary resources. Target is to come in under budget by at least 2% this year.

Continue to effectively manage department personnel to accomplish all goals of recently adopted Economic Vitality Strategic Plan.

Program Provided in Partnership With

City Council, City Manager, Economic Vitality Department, other City departments

Program Customers

City Council, City Manager, Economic Vitality Department

City Council's Broad Goal(s)

Economy

Basic Equipment

Computers, telephones, general office equipment

Special Equipment

None

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	\$279,385	\$279,288	\$366,271	\$289,738
Total Program Revenues	\$279,385	\$279,288	\$366,271	\$289,738

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$185,580	\$192,292	\$192,292	\$197,116
Contractual Services	72,995	78,196	165,179	83,822
Commodities	20,810	8,800	8,800	8,800
Total Program Budget	\$279,385	\$279,288	\$366,271	\$289,738

Performance Measures

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
Efficient budget management. Fiscal Year 2002/03 cost savings totaled \$311,902	(12%)	(12%)	(5%)	(5%)

Program Staffing

1 Full-time	General Manager	1.00
1 Full-time	Administrative Secretary	1.00
Total Program FTE		2.00

Prior Year Highlights

Effectively managed budget so that Economic Vitality came in under budget last fiscal year.

Effectively managed department personnel to accomplish program objectives while remaining 20 percent below originally planned staffing levels.

Program Description

The Economic Development program is responsible for enhancing the economic well-being and quality of life of the community and its residents by providing quality, useful information and responsive, effective services to targeted employers and industries, and revenue generators interested in building or expanding in Scottsdale.

Trends

The key indicators of performance for Economic Development are indirect measures such as targeted job creation and revenue enhancement. Economic Development can only assist in this process, as the private sector must actually perform in order to achieve these goals.

Program Broad Goals

Expand and maintain significant sales tax revenue generators for the City through the enhancement of retail sales-based businesses.

Market and recruit targeted employers and support entrepreneurs and existing businesses in order to provide sustainable employment opportunities in Scottsdale while assuring that new employer's pay scales accommodates working and living in Scottsdale and continue Scottsdale's history as a net importer of jobs.

Provide high quality, accessible market information on the Scottsdale market and Scottsdale development initiatives.

Program 2004/05 Objectives

Market, recruit, and encourage development of vacant and new retail facilities that augment and diversify the range of shopping opportunities for citizens and visitors. Work with the owners and developers of the Scottsdale Rd/Loop 101 development and with the State Land Department on viable retail vision for Core South.

Focus attraction efforts on smaller companies that generate high wages, and have minimal negative community impacts. Concentrate on bio-medical and biotech jobs that provide economic sustainability and enhancement for the community. Work with GPEC on the recruitment of direct and appropriate support businesses for targeted industries.

Work with technology related organizations on the development and promotion of technology, biotechnology base and associated telecommunications infrastructure in Scottsdale.

Regularly update and post economic, retail, demographic, and tourism related information via the City's Internet and in print.

Program Provided in Partnership With

City Council, City Manager, other City departments, Chamber of Commerce, Greater Phoenix Economic Council (GPEC), Arizona Land Department, Arizona Department of Commerce

Program Customers

City Council, City Manager, other City departments, existing and prospective businesses, other economic development and governmental agencies, general public

City Council's Broad Goal(s)

Economy

Basic Equipment

Computers, telephones, general office equipment

Special Equipment

Geographic/Economic software

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	\$239,365	\$279,082	\$279,082	\$291,281
Total Program Revenues	\$239,365	\$279,082	\$279,082	\$291,281

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$133,831	\$161,837	\$161,837	\$168,484
Contractual Services	105,278	115,603	115,603	120,248
Commodities	256	1,642	1,642	2,549
Total Program Budget	\$239,365	\$279,082	\$279,082	\$291,281

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
# of jobs created within City limits	17 companies/ 1,716 jobs	23 companies/ 2,032 jobs	15 companies/ 2,000 jobs	13 companies/ 1,500 jobs
% of annual revenue sales tax increase	-2.0%	not available	2.0% plus	3.0% plus

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
# of jobs created within City limits	17 companies/ 1,716 jobs	23 companies/ 2,032 jobs	15 companies/ 2,000 jobs	13 companies/ 1,500 jobs
% of annual revenue sales tax increase	-2.0%	not available	2.0% plus	3.0% plus

Program Staffing

1 Full-time	Economic Vitality Manager	1.00
1 Full-time	Economic Vitality Spec.	1.00
Total Program FTE		2.00

Prior Year Highlights

Worked extensively with retail revenue generating entities including car dealers and numerous retail businesses, both large and small, throughout the City. Retailers generate over \$50 million annually in City tax revenues.

Assisted in locating 23-targeted businesses employing over 2,000 people at an average wage of \$60,600 during Fiscal Year 2003/04.

Updated and published (in both written and electronic format) studies on tourism, retail, economic trends, demographic trends and two community profiles.

HOSPITALITY DEVELOPMENT

Economic Vitality Department

Program Description

The Hospitality Development program is responsible for the economic well-being and quality of life of the community and its residents by strengthening the local tourism industry through a comprehensive tourism development program of tourism research, marketing and promotion, support of special events, and the development of destination attractions and tourism infrastructure.

Work with the Scottsdale Convention and Visitors bureau to develop programs and activities that maximize bed-tax dollars available for destination marketing to attract our targeted visitor.

Trends

Scottsdale market hotels posted a 2% increase in occupancy for calendar year 2003 in spite of the addition of three new luxury resorts just outside Scottsdale. However, the average rate declined nearly 5% as a result of the increase in direct competition. Barring unforeseen events that negatively impact the economy and tourism, the industry expects the gradual increase in occupancy to continue but average rate will continue to be suppressed until demand catches up with supply.

Program 2004/05 Objectives

Facilitate the development of at least one new special event or destination attraction.

Revamp the City's event promotional support program to better reflect current trends and needs.

Find ways to better explain the value of the tourism industry to the community.

Program Broad Goals

Special events are one of Scottsdale's most important tourism marketing tools. Events such as the FBR Open, Barrett Jackson Auto Auction, Scottsdale Arabian Horse Show, and the Fiesta Bowl not only attract significant numbers of visitors to the area, but also provide valuable exposure to potential visitors through their media coverage.

The development of new destination attractions and special events that are in keeping with the character of the community, and which are consistent with the industry's major "drivers" or theme (golf, western, art/culture, culinary, and participatory sports) to help broaden the market, and provide additional reasons for visitors to choose Scottsdale as their destination.

Program Provided in Partnership With

City Council, City Manager, other City departments, Scottsdale Convention & Visitor's Bureau, Tourism Development Commission

Program Customers

City Council, City Manager, other City departments, the Scottsdale Convention & Visitor's Bureau, local tourism industry

City Council's Broad Goal(s)

Economy

Basic Equipment

Computers, telephones, general office equipment

Special Equipment

None

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	\$5,465,040	\$5,481,340	\$5,531,340	\$5,266,502
Total Program Revenues	\$5,465,040	\$5,481,340	\$5,531,340	\$5,266,502

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$ 61,057	\$101,898	\$101,898	\$149,324
Contractual Services	5,403,983	5,379,442	5,429,442	5,115,888
Commodities	-	-	-	1,290
Total Program Budget	\$5,465,040	\$5,481,340	\$5,531,340	\$5,266,502

HOSPITALITY DEVELOPMENT

Economic Vitality Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
Annual percentage change of bed tax receipts	-13.0%	0.0%	0.0%	2.0% plus
Scottsdale hotel/motel average occupancy rate	59.5%	61.3%	63.0%	64.5%

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
Annual percentage change of bed tax receipts	-13.0%	0.0%	0.0%	2.0% plus
Scottsdale hotel/motel average occupancy rate	59.5%	61.3%	63.0%	64.5%

Program Staffing

1 Full-time	Economic Vitality Researcher	1.00
1 Full-time	Tourism Manager	1.00
Total Program FTE		2.00

Prior Year Highlights

Successfully completed the development agreement between the City and the Frank Lloyd Wright Foundation for a major new visitor attraction at Taliesin West.

Provided funding and event support for a significant first-time event in Scottsdale, the Rock n' Roll Marathon, the largest first-time marathon generating an estimated 10,000 new room nights for Scottsdale hoteliers.

REVITALIZATION

Economic Vitality Department

Program Description

The Revitalization program is responsible for enhancing the economic well-being and quality of life of Scottsdale by encouraging continued reinvestment in the mature areas of the community in both commercial and residential properties through private entities and/or private/public partnerships.

Trends

While there are sections of the mature portion of Scottsdale that do need assistance, much of this area remains stable and is seeing new investment. The housing appreciation rate in South Scottsdale is one of the highest in the Valley, and significant new capital investment is occurring in the residential and commercial sectors.

Program Broad Goals

To provide information and support to private sector entities interested in investing in existing facilities, where such projects enhance the revitalization of the mature areas of Scottsdale.

To encourage private development of new commercial uses and residential communities on vacant or obsolete properties in our mature areas of Scottsdale that will support the surrounding business community.

Working within the Redevelopment Areas of Scottsdale, act as the project manager to bring to fruition key public projects of all sizes that can effect perception and investment in those sections of the community.

Program 2004/05 Objectives

Continue involvement in Smitty's site (McDowell Village) development and sale of land to developer for senior housing and retail. Construction starting summer 2004 with senior center completion in fall 2005.

Work with private property owners of key sites south of Camelback Road to redevelop and enhance their properties.

Continue efforts on implementation of key revitalization strategies such as McDowell streetscape improvements, downtown parking and façade improvements and south Scottsdale fee waiver program.

Program Provided in Partnership With

Other City departments, private sector

Program Customers

City Council, City Manager, other City departments, existing and potential businesses, property owners

City Council's Broad Goal(s)

Economy

Basic Equipment

Computers, telephones, general office equipment

Special Equipment

None

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	\$166,367	\$344,789	\$244,789	\$244,337
Total Program Revenues	\$166,367	\$344,789	\$244,789	\$244,337

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$161,573	\$172,286	\$172,286	\$171,726
Contractual Services	4,712	170,855	70,855	70,963
Commodities	81	1,648	1,648	1,648
Total Program Budget	\$166,367	\$344,789	\$244,789	\$244,337

REVITALIZATION

Economic Vitality Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
# of major development agreements prepared	1	2	3	2
# of times assistance was provided for other redevelopment projects	10	12	12	15

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
Housing appreciation rates - southern part of the City	7.0%	7.8%	7.4%	6.0%
Dollar value of building permits issued south of Camelback Road	\$48.4 million	\$47.5 million	\$50.0 million	\$60.0 million

Program Staffing

1 Full-time	Economic Vitality Manager	1.00
1 Full-time	Economic Vitality Spec.	1.00
Total Program FTE		2.00

Prior Year Highlights

Assisted developers of the McDowell Village Senior Center and Senior Housing site with the City's zoning and development review process. Construction began mid-2004.

Completed two demonstration projects of the McDowell Road Streetscape Improvements. Streetscape improvements from Hayden Road to Granite Reef were bid in early 2004 with completion expected in December 2004.

Continued work on revitalization projects and key initiatives in the downtown area to include the Waterfront Project and public parking improvements.

EXISTING BUSINESS SERVICES

Economic Vitality Department

Program Description

The Existing Business Services program is responsible for enhancing the economic well-being and quality of life of the community and its residents by assisting in the retention and/or expansion of the existing business base, preserving employment, maintaining, expanding, and diversifying the tax base, and reinforcing the positive economic environment of Scottsdale.

Trends

Existing businesses create about 90% of all new jobs in the community and provide significant tax revenues to the City. Therefore, finding ways to support and enhance existing businesses is a critical part of creating long-term economic sustainability.

Program Broad Goals

Develop an understanding of short and long-term issues affecting small and large companies and act on those issues for the mutual benefit of the community and businesses.

Create and maintain a business information database B3 Program for existing Scottsdale businesses that can be used for research, trend analysis, business community composition and other efforts concerning the existing business community in Scottsdale.

Analyze trends and develop strategic and implementation techniques that will support and enhance the existing business community.

Program 2004/05 Objectives

Building Bridges to Business Program, B3 Program, to significantly increase the base of knowledge about the existing business community.

Establish an ongoing small business workshop series.

Implement small business assistance programs that encourage new investment in downtown and Southern portions of the City.

Program Provided in Partnership With

Other City departments and public agencies, private sector, Chamber of Commerce.

Program Customers

City Council, City Manager, other City departments, existing businesses in Scottsdale

City Council's Broad Goal(s)

Economy

Basic Equipment

Computers, telephones, general office equipment

Special Equipment

None

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	\$112,832	\$129,495	\$144,756	\$188,619
Total Program Revenues	\$112,832	\$129,495	\$144,756	\$188,619

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$ 95,093	\$ 95,005	\$ 95,005	\$148,802
Contractual Services	17,739	33,065	48,326	37,102
Commodities	-	1,425	1,425	2,715
Total Program Budget	\$112,832	\$129,495	\$144,756	\$188,619

EXISTING BUSINESS SERVICES

Economic Vitality Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
# of business licenses renewed in Scottsdale	23,094	22,575*	23,050	23,500
# of jobs in Scottsdale	129,000	132,000	135,000	139,000

*Reflects records clean up

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
# of visits with existing businesses.	50	100	150	200
# of businesses assisted by City to make building improvements	0	5	10	20

Program Staffing

1 Full-time	Economic Vitality Manager	1.00
1 Full-time	Economic Vitality Spec.	1.00
Total Program FTE		2.00

Prior Year Highlights

Established Downtown fee reduction program affecting over 75 projects to date in downtown specialty districts.

Began work on a online database for small businesses covering key topics or interest to small business owners.

Continued small business workshops and strengthened relationships with the Small Business Development Center of Maricopa Community College District.

